R E P O R T

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY

DECEMBER 31, 2013

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY

DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

May 21, 2014

Board of Directors
Mirabeau Family Learning Center, Inc.
6251 General Diaz Street, Suite B
New Orleans, Louisiana 70124

Report on Financial Statements

We have audited the accompanying financial statements of Mirabeau Family Learning Center, Inc. (a nonprofit organization) and its consolidated subsidiary, which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mirabeau Family Learning Center, Inc. and its consolidated subsidiary as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 12 – 15 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditure of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information on pages 12 - 15 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2014, on our consideration of Mirabeau Family Learning Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mirabeau Family Learning Center, Inc.'s internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents (Note 1)	$ 42,254
Accounts receivable:	
Filmore Parc Apartments II (Note 2)	942
MFLC Partners	117
Smith Square Development (Note 2)	18,080
St. Joe Estates I and II (Note 2)	234,186
Other	26,669
Total current assets	322,248
OTHER ASSETS:	
Loans receivable: (Note 2)	
Filmore Parc Apartments II	1,575,000
MFLC Partners	2,200,000
Interest receivable: (Note 2)	
Filmore Parc Apartments II	378,134
MFLC Partners	531,880
Investment in Filmore Parc Apartments II (Note 2)	167,829
Investment in MFLC Partners (Note 2)	124,886
Total other assets	4,977,729
TOTAL ASSETS	$ 5,299,977

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 197,117
Line of credit payable	33,403
Total current liabilities	230,520
OTHER LIABILITIES:	
Investment in St. Joe Estates I and II (Note 2)	23
Total other liabilities	23
Total liabilities	230,543
NET ASSETS:	
Unrestricted	5,069,434
TOTAL LIABILITIES AND NET ASSETS	$ 5,299,977

See accompanying notes.

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

UNRESTRICTED NET ASSETS:	
REVENUE: (Note 1)	
Donations	$ 20,802
Grant revenue	886,744
Income from programs	42,745
Interest income	205,177
Management fee income (Note 2)	1,808
Miscellaneous income	4,930
Total revenue	1,162,206
EXPENSES: (Note 1)	
Program services (Page 5)	994,164
Administrative and general (Page 5)	11,944
Total expenses	1,006,108
INCREASE IN UNRESTRICTED NET ASSETS	156,098
Net assets at beginning of year	4,913,336
NET ASSETS AT END OF YEAR	$ 5,069,434

See accompanying notes.

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Services	Administrative and General	Total
EXPENSES:			
Accounting	$ 11,046	$ 858	$ 11,904
Contract labor	11,860	1,318	13,178
Dues and subscriptions	1,319	-	1,319
Housing assistance expense	843,930	-	843,930
Interest	-	1,019	1,019
Loss from investments in partnerships	93	-	93
Miscellaneous	1,132	88	1,220
Payroll taxes and benefits	32,973	2,560	35,533
Postage	95	-	95
Professional services	4,888	-	4,888
Rent	3,619	281	3,900
Repairs and maintenance	361	-	361
Salaries	72,709	5,247	77,956
Supplies	7,373	573	7,946
Telephone and utilities	2,456	-	2,456
Travel	310	-	310
TOTAL EXPENSES	$ 994,164	$ 11,944	$ 1,006,108

See accompanying notes.

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	$ 156,098
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Net loss from investments in partnerships	93
(Increase) decrease in operating assets:	
Accounts receivable - Filmore Parc Apartments II	(63)
Accounts receivable - MFLC Partners	(117)
Accounts receivable - Smith Square Development	(1,808)
Accounts receivable - Other	(25,339)
Prepaid expense	1,315
Interest receivable	(205,177)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued liabilities	2,467
Due to Vales Development, L.L.C.	(5,000)
Net cash used by operating activities	(77,531)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from line of credit	58,403
Payments on line of credit	(25,000)
Net cash provided by financing activities	33,403
NET DECREASE IN CASH AND CASH EQUIVALENTS	(44,128)
Cash and cash equivalents - beginning of year	86,382
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 42,254
SUPPLEMENTARY CASH FLOW INFORMATION:	
Cash was paid for the following:	
Interest	$ 1,019
Income taxes	$ -

See accompanying notes.

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NATURE OF OPERATIONS:

Mirabeau Family Learning Center, Inc. (the Center) is a neighborhood-based nonprofit organization committed to strengthening personal, family and neighborhood self-reliance by providing education, training, affordable housing and support services to residents of New Orleans, Louisiana. The primary sources of revenue are federal grant income and fees related to its affordable housing services.

The Center's subsidiary, MFLC Development, L.L.C., is a limited liability company formed to provide affordable housing development. Its primary source of revenue was development fee income in past years, but no projects were developed in 2013.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of Mirabeau Family Learning Center, Inc. and its consolidated subsidiary conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to nonprofit organizations. The following is a summary of significant policies:

Principles of Consolidation:

The consolidated financial statements include the accounts of Mirabeau Family Learning Center, Inc. and its wholly-owned subsidiary, MFLC Development, L.L.C. All material inter-organization transactions have been eliminated.

Basis of Presentation:

The statement of activities presents expenses functionally between program services, fundraising and administrative. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

The Center is required to report information regarding its financial position according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Basis of Accounting:

The financial statements are prepared under the accrual method of accounting in accordance with GAAP. Revenues are recognized in the period in which they become due. Expenses are recognized in the period in which the related liability is incurred.

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Statements of Cash Flows:

For purposes of the statement of cash flows, the Center considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donated Services:

No amounts have been reflected in the statements for donated services, as no objective basis is available to measure the value of such services.

Investments in Partnerships:

The Center's investments in various partnerships are accounted for on the equity method of accounting (cost, adjusted for the income or loss of the partnership).

2. RELATED PARTY TRANSACTIONS:

The Center and its consolidated subsidiary engaged in transactions during 2013 with the following related parties:

MFLC Partners, ALPIC

The Center is the managing general partner with an ownership percentage of .01% in MFLC Partners, ALPIC. At December 31, 2013, the Center had an investment in MFLC Partners of $124,886. In 2013, the Center incurred a loss of $56 from its investment in MFLC Partners.

During 2013, the Center provided $557,526 of housing assistance to tenants residing in the apartment complex owned by MFLC Partners.

In 2012, the Center entered into an agreement with MFLC Partners, ALPIC, to provide supplemental social and educational experiences for the children of the apartment complex through an after-school enrichment program. In consideration of the program, the Center received $9,600 during 2013 from MFLC Partners, ALPIC.

In 2009, the Center executed an Act of Mortgage and a promissory note with MFLC Partners in the amount of $2,200,000. The loan bears interest at 4.58%, compounded annually, and is due in annual installments of principal and interest if there is sufficient cash flow as defined in the Amended and Restated Agreement of Limited Partnership of MFLC Partners.

Payments contingent on cash flow are made by MFLC Partners in the following order of priority:

1) to its limited partner, an amount equal to the Credit Deficiency
2) to its limited partner, an amount sufficient to pay federal income taxes on taxable income allocated to the limited partner
3) payment of the investor services fee

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. RELATED PARTY TRANSACTIONS: (Continued)

4) funding of the Operating Reserve
5) to the general partner, to repay an operating deficit contribution
6) to pay the loan to the Center

In no event will the outstanding principal and interest balances be due later than December 15, 2044. At December 31, 2013, the outstanding principal balance on the loan was $2,200,000 and the outstanding interest balance was $531,880. The Center obtained the funds that it loaned to MFLC Partners from a federal grant passed through the City of New Orleans. The Center has assigned its rights and interests in the Act of Mortgage to the City of New Orleans.

At December 31, 2013, $117 was due to the Center from MFLC Partners for various items.

Filmore Parc Apartments II

The Center is a general partner with an ownership percentage of .01% in Filmore Parc Apartments II. At December 31, 2013, the Center's investment in Filmore Parc Apartments II was $167,829. In 2013, the Center incurred a loss of $37 from its investment in Filmore Parc Apartments II.

At December 31, 2013, $942 was due to the Center from Filmore Parc Apartments II for various items.

In 2012, the Center entered into an agreement with Filmore Parc Apartments II to provide supplemental social and educational experiences for the children of the apartment complex through an after-school enrichment program. In consideration of the program, the Center received $6,400 during 2013 from Filmore Parc Apartments II.

During 2013, the Center provided $286,404 of housing assistance to tenants residing in the apartment complex owned by Filmore Parc Apartments II.

In 2009, the Center executed an Act of Mortgage and a promissory note with Filmore Parc Apartments II in the amount of $1,575,000. The loan bears interest at 4.58%, compounded annually and is due in annual installments of principal and interest if there is sufficient cash flow as defined in the Amended and Restated Agreement of Limited Partnership of Filmore Parc Apartments II. Payments contingent on cash flows are made by Filmore Parc Apartments II in the same order of priority as described for the loan to MFLC Partners in the previous section. In no event will the outstanding principal and interest balances be due later than December 15, 2044. At December 31, 2013, the outstanding principal balance on the loan was $1,575,000 and the outstanding interest balance was $378,134. The Center obtained the funds that it loaned to Filmore Parc Apartments II from a federal grant passed through the City of New Orleans. The Center has assigned its rights and interests in the Act of Mortgage to the City of New Orleans.

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. RELATED PARTY TRANSACTIONS: (Continued)

Smith Square Development, ALPIC

The Center is the managing general partner with a .001% ownership interest in Smith Square Development, ALPIC. At December 31, 2013, the Center's investment in Smith Square Development was $0. The Center incurred no income or loss during 2013 from its investment in Smith Square Development.

The Center performs management services for Smith Square Development. In 2013, the Center earned management fee income of $1,808. At December 31, 2013, $18,080 was due to the Center from Smith Square Development for management fees incurred in 2013 and prior years.

St. Joe Estates I and II

MFLC Development, L.L.C. (the Center's wholly-owned subsidiary) is a limited partner with a .001% ownership interest in both St. Joe Estates I and II. At December 31, 2013, MFLC Development, L.L.C.'s investment in St. Joe Estates I and II was $23. MFLC Development, L.L.C. incurred no income or loss during 2013 from its investment in Smith Square Development.

MFLC Development, L.L.C. was the developer for the St. Joe Estates I and II affordable housing projects. At December 31, 2013, St. Joe Estates I and II owed $227,564 to MFLC Development, L.L.C. for development fees earned prior to 2012.

At December 31, 2013, $6,622 was due to the Center from St. Joe Estates I and II for reimbursement of various expenses.

3. LINE OF CREDIT:

The Center has a $225,000 line of credit with Whitney National Bank. The line of credit is due on August 8, 2014 and bears interest at a variable rate, which was 4.5% at December 31, 2013. The line of credit is secured by the personal guarantee of the executive director of the Center. At December 31, 2013, the balance due on the line of credit was $33,403.

4. USE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

5. INCOME TAXES:

The Mirabeau Family Learning Center, Inc. is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. MFLC Development, L.L.C. was formed as a Limited Liability Corporation. Since it is wholly owned by the Center and furthers the Center's exempt purpose, the net income of MFLC Development, L.L.C. is included in the Center's exempt income tax return and is also exempt from federal income tax.

Accounting Standards Codification 740 (ASC 740) provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statement. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. As of December 31, 2013, the Center believes that they have no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Tax years ended December 31, 2010 and later remain subject to examination by the taxing authorities.

6. CONCENTRATIONS:

During the year ended December 31, 2013, the Center's main source of revenue was government grants. A significant reduction in the level of this support may have an effect on the Center's programs and activities.

7. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through May 21, 2014, which is the date on which the financial statements were available to be issued. There were no significant subsequent events found as a result of the evaluation.

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

	Mirabeau Family Learning Center, Inc.	MFLC Development, L.L.C.	Eliminations	Total
CURRENT ASSETS:				
Cash and cash equivalents	$ 42,254	$ -	$ -	$ 42,254
Accounts receivable:				
Filmore Parc Apartments II	942	-	-	942
MFLC Development, LLC	140,955	-	(140,955)	-
MFLC Partners	117	-	-	117
Smith Square Development	18,080	-	-	18,080
St. Joe Estates I and II	6,622	227,564	-	234,186
Other	26,669	-	-	26,669
Total current assets	235,639	227,564	(140,955)	322,248
OTHER ASSETS:				
Loans receivable:				
Filmore Parc Apartments II	1,575,000	-	-	1,575,000
MFLC Partners	2,200,000	-	-	2,200,000
Interest receivable:				
Filmore Parc Apartments II	378,134	-	-	378,134
MFLC Partners	531,880	-	-	531,880
Investment in Filmore Parc Apartments II	167,829	-	-	167,829
Investment in MFLC Partners	124,886	-	-	124,886
Total other assets	4,977,729	-	-	4,977,729
TOTAL ASSETS	$ 5,213,368	$ 227,564	$ (140,955)	$ 5,299,977
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	$ 197,117	$ -	$ -	$ 197,117
Due to Mirabeau Family Learning Center, Inc.	-	140,955	(140,955)	-
Line of credit payable	33,403	-	-	33,403
Total current liabilities	230,520	140,955	(140,955)	230,520
OTHER LIABILITIES:				
Investments:				
St. Joe Estates I and II	-	23	-	23
MFLC Development, L.L.C.	4,859	-	(4,859)	-
Total other liabilities	4,859	23	(4,859)	23
TOTAL LIABILITIES	235,379	140,978	(145,814)	230,543
NET ASSETS:				
Unrestricted	4,977,989	86,586	4,859	5,069,434
TOTAL LIABILITIES AND NET ASSETS	$ 5,213,368	$ 227,564	$ (140,955)	$ 5,299,977

MIRABEAU FAMILY LEARNING CENTER, INC. AND ITS CONSOLIDATED SUBSIDIARY
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Mirabeau Family Learning Center, Inc.	MFLC Development, L.L.C.	Eliminations	Total
UNRESTRICTED NET ASSETS:				
REVENUE:				
Donations	$ 20,802	$ -	$ -	$ 20,802
Grant revenue	886,744	-	-	886,744
Income from programs	42,745	-	-	42,745
Interest income	205,177	-	-	205,177
Management fee income	1,808	-	-	1,808
Miscellaneous income	4,930	-	-	4,930
Total revenue	1,162,206	-	-	1,162,206
EXPENSES:				
Accounting	11,904	-	-	11,904
Contract labor	13,178	-	-	13,178
Dues and subscriptions	1,319	-	-	1,319
Housing assistance expense	843,930	-	-	843,930
Interest	1,019	-	-	1,019
Loss from investments in partnerships	93	-	-	93
Miscellaneous	1,220	-	-	1,220
Payroll taxes and benefits	35,533	-	-	35,533
Postage	95	-	-	95
Professional services	4,888	-	-	4,888
Rent	3,900	-	-	3,900
Repairs and maintenance	361	-	-	361
Salaries	77,956	-	-	77,956
Supplies	7,946	-	-	7,946
Telephone and utilities	2,456	-	-	2,456
Travel	310	-	-	310
Total expenses	1,006,108	-	-	1,006,108
INCREASE IN UNRESTRICTED NET ASSETS	156,098	-	-	156,098
Net assets at beginning of year	4,821,891	86,586	4,859	4,913,336
NET ASSETS AT END OF YEAR	$ 4,977,989	$ 86,586	$ 4,859	$ 5,069,434

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF FINANCIAL POSITION - MIRABEAU FAMILY LEARNING CENTER, INC.
DECEMBER 31, 2013

	General Fund	Learning Center Fund	Real Estate Fund	Eliminations	Total
CURRENT ASSETS:					
Cash and cash equivalents	$ 20,368	$ 21,886	$ -	$ -	$ 42,254
Accounts receivable:					
Filmore Parc Apartments II	63	-	879	-	942
MFLC Development, LLC	149,597	-	-	(8,642)	140,955
MFLC Partners, LLC	117	-	-	-	117
Smith Square Development	-	-	18,080	-	18,080
St. Joe Estates I and II	6,622	-	-	-	6,622
Other	349	26,320	-	-	26,669
Due from other funds	89,517	9,892	765,320	(864,729)	-
Total current assets	266,633	58,098	784,279	(873,371)	235,639
OTHER ASSETS:					
Loans receivable					
Filmore Parc Apartments II	-	-	1,575,000	-	1,575,000
MFLC Partners	-	-	2,200,000	-	2,200,000
Interest receivable					
Filmore Parc Apartments II	-	-	378,134	-	378,134
MFLC Partners	-	-	531,880	-	531,880
Investment in Filmore Parc Apartments II	-	-	167,829	-	167,829
Investment in MFLC Partners	-	-	124,886	-	124,886
Total other assets	-	-	4,977,729	-	4,977,729
TOTAL ASSETS	$ 266,633	$ 58,098	$ 5,762,008	$ (873,371)	$ 5,213,368
CURRENT LIABILITIES:					
Accounts payable and accrued expenses	$ 197,117	$ -	$ -	$ -	$ 197,117
Due to MFLC Development, LLC	-	-	8,642	(8,642)	-
Due to other funds	775,212	89,517	-	(864,729)	-
Line of credit payable	33,403	-	-	-	33,403
Total current liabilities	1,005,732	89,517	8,642	(873,371)	230,520
OTHER LIABILITIES:					
Investments:					
MFLC Development, L.L.C.	-	-	4,859	-	4,859
Total other liabilities	-	-	4,859	-	4,859
TOTAL LIABILITIES	1,005,732	89,517	13,501	(873,371)	235,379
NET ASSETS (DEFICIT):					
Unrestricted	(739,099)	(31,419)	5,748,507	-	4,977,989
TOTAL LIABILITIES AND NET ASSETS	$ 266,633	$ 58,098	$ 5,762,008	$ (873,371)	$ 5,213,368

MIRABEAU FAMILY LEARNING CENTER, INC.
AND ITS CONSOLIDATED SUBSIDIARY
SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES -
MIRABEAU FAMILY LEARNING CENTER, INC.
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Learning Center Fund	Real Estate Fund	Total
UNRESTRICTED NET ASSETS:				
REVENUE:				
Donations	$ -	$ 20,802	$ -	$ 20,802
Grant revenue	-	-	886,744	886,744
Income from programs	-	42,745	-	42,745
Interest income	-	-	205,177	205,177
Management fee income	-	-	1,808	1,808
Miscellaneous income	-	-	4,930	4,930
Total revenue	-	63,547	1,098,659	1,162,206
EXPENSES:				
Accounting	11,267	637	-	11,904
Contract labor	11,798	1,380	-	13,178
Dues and subscriptions	1,319	-	-	1,319
Housing assistance expense	697	-	843,233	843,930
Interest	1,019	-	-	1,019
Loss from investments in partnerships	-	-	93	93
Miscellaneous	877	343	-	1,220
Payroll taxes and benefits	9,059	26,474	-	35,533
Postage	57	38	-	95
Professional services	4,793	95	-	4,888
Rent	3,900	-	-	3,900
Repairs and maintenance	361	-	-	361
Salaries	52,485	25,471	-	77,956
Supplies	2,974	4,972	-	7,946
Telephone and utilities	2,456	-	-	2,456
Travel	310	-	-	310
Total expenses	103,372	59,410	843,326	1,006,108
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(103,372)	4,137	255,333	156,098
Net assets (deficit) at beginning of year	(635,727)	(35,556)	5,493,174	4,821,891
NET ASSETS (DEFICIT) AT END OF YEAR	$ (739,099)	$ (31,419)	$ 5,748,507	$ 4,977,989

DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

May 21, 2014

Board of Directors
Mirabeau Family Learning
Center, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mirabeau Family Learning Center, Inc. (the Center), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

May 21, 2014

Board of Directors
Mirabeau Family Learning
Center, Inc.

Report on Compliance for Each Major Federal Program

We have audited Mirabeau Family Learning Center, Inc.'s (the Center) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended December 31, 2013. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

MIRABEAU FAMILY LEARNING CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Federal CFDA Number	Grant No.	Program Title	Expenditures
U.S. Department of Housing and Urban Development			
Passed through the City of New Orleans:			
14.182	None	Section 8 - New Construction and Substantial Rehabilitation	$ 886,744

MIRABEAU FAMILY LEARNING CENTER, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Schedule of Expenditures of Federal Awards of Mirabeau Family Learning Center, Inc. has been prepared in conformity with accounting principles generally accepted in the United States of America. Expenditures are recognized when incurred.

2. DETERMINATION OF TYPE A AND B PROGRAMS:

Federal awards programs are classified as either Type A or Type B programs. For the year ended December 31, 2013, Type A programs consist of the federal programs that expended over $300,000 and Type B programs are the programs that expended under $300,000.

MIRABEAU FAMILY LEARNING CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

*	Material weakness(es) identified?	___ yes	X no
*	Control deficiencies identified that are not considered to be material weaknesses?	___ yes	X none reported

Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards:

Internal control over major programs:

*	Material weakness(es) identified?	___ yes	X no
*	Control deficiencies identified that are not considered to be material weaknesses?	___ yes	X none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133:	___ yes	X no

Identification of major program:

Name of Program	CFDA No.	Expenditures
Section 8 - New Construction and Substantial Rehabilitation	14.182	$ 886,744

Dollar threshold used to distinguish between Type A and Type B programs: $ 300,000

Auditee qualified as low-risk auditee?	X yes	___ no

FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENTAL AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

NONE

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE

MIRABEAU FAMILY LEARNING CENTER, INC.
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

PRIOR AUDIT FINDINGS:

NONE